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**A BILL FOR AN ACT**

RELATING TO THE QUALIFICATION OF SUCCESSORS TO LESSEES UNDER THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Section 209 of the Hawaiian Homes Commission  
2 Act, 1920, as amended, is amended by amending subsection (a) to  
3 read as follows:

4           "**§209. Successors to lessees.** (a) Upon the death of the  
5 lessee, the lessee's interest in the tract or tracts and the  
6 improvements thereon, including growing crops and aquacultural  
7 stock (either on the tract or in any collective contract or  
8 program to which the lessee is a party by virtue of the lessee's  
9 interest in the tract or tracts), shall vest in the relatives of  
10 the decedent as provided in this paragraph. From the following  
11 relatives of the lessee who are (1) at least [~~one-quarter~~] one  
12 thirty-second Hawaiian, husband, wife, children, grandchildren,  
13 brothers, or sisters, or (2) native Hawaiian, father and mother,  
14 widows or widowers of the children, widows or widowers of the  
15 brothers and sisters, or nieces and nephews,--the lessee shall  
16 designate the person or persons to whom the lessee directs the  
17 lessee's interest in the tract or tracts to vest upon the  
18 lessee's death. The Hawaiian blood requirements shall not apply

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1 to the descendants of those who are not native Hawaiians but who  
2 were entitled to the leased lands under section 3 of the Act of  
3 May 16, 1934 (48 Stat. 777, 779), as amended, or under section 3  
4 of the Act of July 9, 1952 (66 Stat. 511, 513). In all cases  
5 that person or persons need not be eighteen years of age. The  
6 designation shall be in writing, may be specified at the time of  
7 execution of the lease with a right in the lessee in similar  
8 manner to change the beneficiary at any time and shall be filed  
9 with the department and approved by the department in order to  
10 be effective to vest the interests in the successor or  
11 successors so named.

12 In case of the death of any lessee, except as hereinabove  
13 provided, who has failed to specify a successor or successors as  
14 approved by the department, the department may select from only  
15 the following qualified relatives of the decedent:

- 16 (1) Husband or wife; or
- 17 (2) If there is no husband or wife, then the children; or
- 18 (3) If there is no husband, wife, or child, then the  
19 grandchildren; or
- 20 (4) If there is no husband, wife, child, or grandchild,  
21 then brothers or sisters; or
- 22 (5) If there is no husband, wife, child, grandchild,  
23 brother, or sister, then from the following relatives

1 of the lessee who are native Hawaiian: father and  
2 mother, widows or widowers of the children, widows or  
3 widowers of the brothers and sisters, or nieces and  
4 nephews.

5 The rights to the use and occupancy of the tract or tracts may  
6 be made effective as of the date of the death of the lessee.

7 In the case of the death of a lessee leaving no designated  
8 successor or successors, husband, wife, children, grandchildren,  
9 or relative qualified to be a lessee of Hawaiian home lands, the  
10 land subject to the lease shall resume its status as unleased  
11 Hawaiian home lands and the department is authorized to lease  
12 the land to a native Hawaiian as provided in this Act.

13 Upon the death of a lessee who has not designated a  
14 successor and who leaves a spouse not qualified to succeed to  
15 the lease or children not qualified to succeed to the lease, or  
16 upon the death of a lessee leaving no relative qualified to be a  
17 lessee of Hawaiian home lands, or the cancellation of a lease by  
18 the department, or the surrender of a lease by the lessee, the  
19 department shall appraise the value of all the improvements and  
20 growing crops or improvements and aquacultural stock, as the  
21 case may be, and shall pay to the nonqualified spouse or the  
22 nonqualified children as the lessee shall have designated prior  
23 to the lessee's death, or to the legal representative of the

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1 deceased lessee, or to the previous lessee, as the case may be,  
2 the value thereof, less any indebtedness to the department, or  
3 for taxes, or for any other indebtedness the payment of which  
4 has been assured by the department, owed by the deceased lessee  
5 or the previous lessee. These payments shall be made out of the  
6 Hawaiian home loan fund and shall be considered an advance  
7 therefrom and shall be repaid by the successor or successors to  
8 the tract involved. If available cash in the Hawaiian home loan  
9 fund is insufficient to make these payments, payments may be  
10 advanced from the Hawaiian home general loan fund and shall be  
11 repaid by the successor or successors to the tract involved;  
12 provided that any repayment for advances made from the Hawaiian  
13 home general loan fund shall be at the interest rate established  
14 by the department for loans made from the Hawaiian home general  
15 loan fund. The successor or successors may be required by the  
16 commission to obtain private financing in accordance with  
17 section 208(6) to pay off the amount advanced from the Hawaiian  
18 home loan fund or Hawaiian home general loan fund."

19 SECTION 2. Statutory material to be repealed is bracketed  
20 and stricken. New statutory material is underscored.

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1           SECTION 3. This Act shall take effect upon the approval of  
2 the Governor of the State of Hawaii and with the consent of the  
3 United States.

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INTRODUCED BY: 

BY REQUEST

JAN 23 2017

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**Report Title:**

Hawaiian Home Lands; Lease Successors

**Description:**

Lowers the required blood quantum to one thirty-second Hawaiian for the lessee's relatives currently eligible to succeed to a lease with one-quarter Hawaiian including a lessee's husband, wife, children, grandchildren, brothers, or sisters.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

## JUSTIFICATION SHEET

DEPARTMENT: Hawaiian Home Lands

TITLE: A BILL FOR AN ACT RELATING TO THE QUALIFICATION OF SUCCESSORS TO LESSEES UNDER THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED.

PURPOSE: Lowers the required blood quantum to one thirty-second Hawaiian for the lessee's relatives currently eligible to succeed to a lease with one-quarter Hawaiian including a lessee's husband, wife, children, grandchildren, brothers or sisters.

MEANS: Amend section 209(a) of the Hawaiian Homes Commission Act, 1920, as amended.

JUSTIFICATION: The Department of Hawaiian Home Lands (DHHL) continues to receive requests from beneficiaries, particularly lessees in our older homestead communities, to reduce the blood quantum requirement for successors (or individuals who can succeed to a homestead lease upon the death of the lessee). As these communities age, the lessees with one-quarter Hawaiian blood are facing the possible loss of a homestead lease that has been within the family for several generations because their descendants lack the required blood quantum. This amendment will provide DHHL lessees with greater flexibility and opportunity to retain homestead leases within their families.

Impact on the public: There will be no impact to the general public. The Hawaiian Homes Commission Act is responsible to a unique subset of Hawaii's population.

Impact on the department and other agencies:  
None.

GENERAL FUND: None.

OTHER FUNDS:                   None.

PPBS PROGRAM  
DESIGNATION:

OTHER AFFECTED  
AGENCIES:                   None.

EFFECTIVE DATE:               Upon approval and consent of the United  
States.